



IRISH LIFE INVESTMENT MANAGERS (ILIM)

The week that was – WEEK 40 (ending 02/10/2015)

“ In matters of style, swim with the current; in matters of principle, stand like a rock.” –
Thomas Jefferson

Irish unemployment rate falls to 9.4% – The latest monthly unemployment statistics from the Central Statistics Office (CSO) show the unemployment rate falling slightly to 9.4% in September from 9.5% in August. Male unemployment was 10.5%, with female at 8.1%. Youth unemployment decreased to 20.6%.

NAMA projects €1.75bn profit – In a statement made to the Oireachtas Public Accounts Committee by its chief executive Brendan McDonagh, the National Asset Management Agency now expects to make a surplus of €1.75 billion by 2020. This is a 75% increase on Nama's previously guided profit of €1 billion.

Weak U.S. jobs figure may delay interest rate rise – The U.S. Labor department reported that U.S. businesses created 142,000 jobs in September, about 64,000 fewer than expected by analysts, with wages and the unemployment rate flat. This led to speculation that the Fed could delay raising rates until 2016.

Euro zone economic sentiment hits four-year high – The European Commission reported that overall economic sentiment in the Euro zone rose to 105.6 in September from 104.1 in August, the highest reading since April 2011 when it was 106.1. The business climate indicator rose to 0.34 in September from 0.20.

Fitch warns that a Chinese hard landing would hit HK, Korea and Japan the hardest – Fitch Ratings said a sharp slowdown in Chinese GDP growth would have a significant impact on global growth and economic stability. They said that economies such as Hong Kong, Korea and Japan would be the most affected.

Switzerland tops global competitiveness table for seventh consecutive year – Despite a surging home currency, Switzerland topped the World Economic Forum's (WEF) competitiveness rankings table for the seventh consecutive year, with Singapore and the U.S. second and third. Ireland was No 24, up one place.

The Story of the week: The Bomb squad were called in after Careers advisor Kathryn Rawlins, 45, from Warwickshire in England found her flower vase was an unexploded WW2 shell. She had it since she was aged 15. The police said that the shell had the potential to have killed anybody that was within 20 metres of it.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2010	2011	2012	2013	2014	2015 YTD (to 02/10)
ISEQ Overall Return	-0.1	2.6	20.5	35.8	16.8	19.1
FTSE 100 TR	12.6	-2.2	10.0	18.7	0.7	-3.8
Euro Stoxx 50 TR	-2.8	-14.1	18.1	21.5	4.0	3.4
S&P 500 TR	15.1	2.1	16.0	32.4	13.7	-3.7
Nasdaq Composite	16.9	-1.8	15.9	38.3	13.4	-0.6
Nikkei 225	-3.0	-17.3	22.9	56.7	7.1	1.6
MSCI Emerging Markets	11.7	-14.9	13.9	0.9	2.6	-7.8
MSCI World	7.8	-7.6	13.1	26.2	7.7	-4.1
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2015 YTD
US	3.3	1.9	1.7	3.0	2.2	2.0
German	3.0	1.8	1.4	1.9	0.5	0.5
UK	3.4	2.0	1.9	3.0	1.9	1.8
Japan	1.1	1.0	0.7	0.7	0.3	0.3
Ireland	9.1	8.4	4.5	3.4	1.3	1.2
Italy	4.8	7.1	4.6	4.1	2.1	1.6
Greece	12.5	31.7	12.7	8.2	9.6	8.0
Portugal	6.6	13.4	6.9	6.1	2.7	2.3
Spain	5.5	5.1	5.4	4.1	1.6	1.7
Central Bank Rates (%)	2010	2011	2012	2013	2014	2015 YTD
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
Foreign Exchange Rates	2010	2011	2012	2013	2014	2015 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.13
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.74
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.52
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	4.3 (Q 1)
UK	14.5	8.1	2.7	10.7	17.8	2.9 (Q 1)
US	14.8	14.5	5.3	11.4	11.2	3.1 (Q 1)

*Past performance is not a reliable guide to future performance